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OFFICIAL STATEMENT

# Los Angeles County Health Facilities Authority



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## \$7,625,000


### East Los Angeles Comprehensive Health Center Leasehold Revenue Bonds

Public Debts Co. L.A. Co.  
Investments Public Securities  
Clarks L.A. Co.

Bids to be received at 9:00 a.m., Tuesday,  
May 4, 1976, at the Office of the Executive Officer-  
Clerk of the Board of Supervisors, Room 383,  
Hall of Administration, 500 West Temple Street,  
Los Angeles, California 90012.

Ind. Savings & Co.





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## **LOS ANGELES COUNTY HEALTH FACILITIES AUTHORITY**

Edward H. Ballard, M.D., *President*

John A. Cinquemani

Mrs. Jeanne Chisholm

Irving Feintech

Benjamin Karpman, M.D.

Richard Polachek, D.D.S.

Thomas H. Sternberg, M.D.

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## **BOARD OF SUPERVISORS OF LOS ANGELES COUNTY**

Baxter Ward, *Chairman*

Edmund D. Edelman

James A. Hayes

Kenneth Hahn

Peter F. Schabarum

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## **LOS ANGELES COUNTY OFFICIALS**

Harry L. Hufford, *Chief Administrative Officer*

H. B. Alvord, *County Treasurer*

John H. Larson, *County Counsel*

Mark H. Bloodgood, *Auditor-Controller*

Stephen J. Koonce, *Director, Facilities Department*

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## **PROFESSIONAL SERVICES**

O'Melveny & Myers, Los Angeles

*Bond Counsel*

Stone & Youngberg Municipal Financing Consultants, Inc., San Francisco and Los Angeles

*Financing Consultants*

Daniel, Mann, Johnson and Mendenhall, Los Angeles

*Architects*

Wells Fargo Bank N.A., San Francisco

Harris Trust and Savings Bank, Chicago

Bankers Trust Company, New York

*Paying Agents*

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**THE DATE OF THIS OFFICIAL STATEMENT IS APRIL 8, 1976**

DEC - 7 2023

UNIVERSITY OF CALIFORNIA

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April 8, 1976

TO WHOM IT MAY CONCERN

The purpose of this Official Statement is to provide information to prospective purchasers of the \$7,625,000 of East Los Angeles Comprehensive Health Center Leasehold Revenue Bonds to be issued by the Los Angeles County Health Facilities Authority.

This Official Statement was prepared by the firm of Stone & Youngberg Municipal Financing Consultants, Inc. in the capacity of financing consultants to the Los Angeles County Health Facilities Authority and the firm will receive compensation contingent upon the sale and delivery of the bonds.

The historical financial data set forth in the section of this Official Statement entitled "Financial Data" was provided by the Auditor-Controller of Los Angeles County, except as otherwise noted. In the opinion of the County Auditor-Controller, the data set forth in Tables 3 and 4 of this Official Statement, when read in conjunction with the introductory remarks under the headings "Revenues, Expenditures and Fund Balances" and "Balance Sheets" fairly represent the revenues and expenditures for the period shown and the financial condition of the County as of the dates and in the manner shown.

This Official Statement contains estimates, projections and matters of opinion which are believed to be reliable and accurate but which cannot be guaranteed.

None of the summaries of statutes, resolutions and ordinances contained in this Official Statement are purported to contain the full text of such documents and reference is made to such documents for full information.

No dealer, broker, salesman or other person has been authorized by the Authority to give any information or to make any representations other than those contained in this Official Statement and any supplement or amendment thereto, and if such information or representations are given or made they must not be relied upon as having been authorized or made.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the bonds, in any jurisdiction in which it shall be unlawful to make such an offer, solicitation or sale.

The execution and distribution of this Official Statement has been authorized by the Los Angeles County Health Facilities Authority Commission.

JAMES S. MIZE, *Secretary*

LOS ANGELES COUNTY HEALTH FACILITIES AUTHORITY



LOS ANGELES COUNTY AREA MAP



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# INTRODUCTION

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The Los Angeles County Health Facilities Authority was created under a Joint Powers Agreement between the County of Los Angeles and the City of Los Angeles dated November 9, 1971, including certain amendments to be made prior to the delivery of the bonds. The Authority is a public agency under the laws of the State of California.

The Authority was formed to finance the acquisition, construction and remodeling of public health facilities. The Authority exists as a separate public agency under the laws of California, with powers established by the Joint Powers Agreement. The Authority is governed by a seven-member board.

The Joint Powers Agreement will remain in force until fifty years from its date, or until payment, or provision for payment of the bonds of the Authority has been made, whichever is first. It provides, in general, that the County will lease to the Authority, by means of a ground lease, the sites for the facilities; the Authority will issue revenue bonds to finance the construction of the project; the Authority will construct the facilities and the County will sublease the sites and facilities from the Authority, paying annual rentals sufficient for the Authority to meet its obligations each year, including revenue bond principal and interest.

The bonds currently being offered for sale will be used to finance a health care center in East Los Angeles.

The Health Care Center will be leased by the County to the Authority pursuant to the East Los Angeles Comprehensive Health Care Center Ground Lease. The site and the improvements will be leased back to the County by means of the East Los Angeles Comprehensive Health Care Center Sublease. The term of the Sublease will commence upon completion of the project or November 15, 1978 whichever is later, and will extend to May 15, 2011. It will provide that upon completion of the project, the County will pay an annual base rental which will be fixed at an amount sufficient to meet the principal and interest becoming due on the Authority bonds of this issue. The Sublease will also provide for the County to pay an additional rental to meet the operating expenses of the Authority relative to the East Los Angeles Comprehensive Health Center to the extent these cannot be met from other sources.

Under the Sublease, the County covenants to include the total rental in its budget each year and

to appropriate the necessary money for the rental payment.

To further insure prompt payment, the following additional safeguards will be provided:

1. Subject to certain limitations described in the section of this official statement entitled "The Bonds," under the subheading "Insurance Provisions," various types of insurance will be provided, including fire and extended coverage, earthquake and public liability and property damage protection, plus business (rent) interruption insurance equal to two years base rental and additional rental.
2. The Authority received firm construction bids for the project on February 25, 1976, and it is anticipated that the construction contract will be executed on May 18, 1976. The contract documents provide for completion of construction within a maximum of 30 months from the date of execution. If construction is not completed within that time, the contractor will be subject to damages at the rate of \$2,800 per day, except in the event of unavoidable delays, as provided in the construction contract, a

copy of which is on file with the Secretary of the Authority. A 100 percent performance bond and 100 percent labor and materialmen's bonds are to be posted by the contractor to assure completion.

3. A policy of title insurance with an endorsement insuring the validity of the lease will be obtained prior to bond delivery.

Los Angeles County is the largest county in the United States, based upon population. The population was estimated to be 6,970,000 as of July 1, 1975. The county occupies an area of 4,083 square miles. The 1975/76 assessed valuation of the county is \$24,766,306,204. Secured tax delinquencies for 1974/75 were only 2.22 percent of the \$783,593,608 levy. The total direct and overlapping bonded debt of the county will be \$2,395,438,852 as of May 4, 1976 (excluding bond sales, if any, subsequent to the date of this official statement) and the net direct and overlapping debt will be \$2,269,372,202.

For sources of data contained in the preceding paragraph see the Section of this Official Statement entitled "County Financial Data."



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# THE AUTHORITY

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## **Joint Powers Agreement**

The Los Angeles County Health Facilities Authority was created by a Joint Exercise of Powers Agreement between Los Angeles County and the City of Los Angeles dated November 9, 1971, including certain amendments to be made prior to the delivery of the bonds. The Agreement was made under provisions of Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6500. A copy of the Agreement is included among the documents accompanying this official statement.

The purpose of the Agreement is to provide for the acquisition, construction, remodeling, replacement, equipment and leasing of health care facilities within Los Angeles County. The bonds currently being offered for sale will be used to finance the construction of a new comprehensive health center in the area of the County known as East Los Angeles.

The joint powers agreement has a stated term of 50 years, unless payment, or provision for payment, of all Authority revenue bonds has been made, at which time it will terminate automatically.

## **Powers and Purposes**

The Authority has the power to lease the sites of the health facilities, to acquire, construct, reconstruct, remodel, replace, equip, lease, operate and maintain hospital, health care and related facilities, to receive grants, gifts and contributions, to incur debts and obligations which are not debts or obligations of the City or the County, including the power to issue revenue bonds to finance the construction of the project, and to sue and be sued.

The joint powers agreement provides for the Authority to contract for the construction of the hospital and health care facilities and to meet the costs of construction with the proceeds of the revenue bond issues. The bond proceeds are held by the treasurer and disbursed to the contractor on demand as construction progress payments become due as provided in the Resolution.

## **Organization**

The Authority exists and acts as a separate public entity. The Authority is governed by a seven-member commission, five appointed by the County, and

two appointed by the City. The members of the Commission appointed by the County and the City are:

Edward H. Ballard, M.D., President

*Banker*

Appointed by the County

John A. Cinquemani, Vice President

*Labor Executive*

Appointed by the County

Mrs. Jeanne Chisholm

*General Contractor*

Appointed by the County

Irving Feintech

*Developer*

Appointed by the County

Benjamin Karpman, M.D.

*General Practitioner*

Appointed by the City

Richard Polachek, D.D.S.

*Oral Surgeon*

Appointed by the City

Thomas H. Sternberg, M.D.

*Dermatologist*

Appointed by the County

The County Counsel, the County Engineer, the Executive Officer-Clerk of the Board of Supervisors, the County Treasurer and the County Auditor-Controller, respectively, are ex-officio the Attorney, Engineer, Secretary, Treasurer and Controller of the Authority.



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# THE BONDS

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## Authority for Issuance

The \$7,625,000 principal amount of Los Angeles County Health Facilities Authority, East Los Angeles Comprehensive Health Center Leasehold Revenue Bonds are to be issued pursuant to a resolution of the Authority, adopted April 8, 1976, and approved as to form by resolution of the Board of Supervisors on March 30, 1976. The bonds will be issued under provisions of Article 2, Chapter 5, Division 7, Title 1, of the Government Code) of the State of California (commencing with Section 6540).

## Sale of Bonds

Bids will be received at 9:00 A.M., Tuesday, May 4, 1976, at the Office of the Executive Officer-Clerk of the Board of Supervisors, Room 383, Hall of Administration, 500 West Temple Street, Los Angeles, California 90012. Details as to the terms of sale are included in the official Notice Inviting Bids adopted April 8, 1976.

## Description of the Bonds

The bonds will be dated May 15, 1976, and will be issued in denominations of \$5,000 each. The bonds will be numbered 1 through 1525 and will be payable on May 15 of each year as shown below.

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### MATURITY SCHEDULE

Year	Principal Amount	Year	Principal Amount
1979-81	\$150,000	1993	\$375,000
1982-83	175,000	1994	400,000
1984	200,000	1995	425,000
1985-86	225,000	1996	450,000
1987-88	250,000	1997	475,000
1989	275,000	1998	525,000
1990	300,000	1999	550,000
1991	325,000	2000	600,000
1992	350,000	2001	625,000

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Interest is payable semiannually on May 15 and November 15 of each year beginning November 15, 1976. Both principal and interest are payable at the office of the County Treasurer, Los Angeles, California, or at paying agents for the Authority: Wells Fargo Bank NA, San Francisco, California; Bankers

Trust Company, New York, New York; or Harris Trust and Savings Bank, Chicago, Illinois.

## **Registration**

The bonds will be issued as coupon bonds or as fully registered bonds. Coupon bonds and fully registered bonds will be exchangeable, one for the other, without charge to the bondholder, except for an administrative fee of one dollar per bond and for any governmental charges.

## **Redemption Provisions**

In the event of loss of or substantial damage to or condemnation of the project which renders it unusable, all or any part of the bonds may be redeemed at any time. If less than all of the outstanding bonds are to be redeemed under these circumstances, the Treasurer is required to select for redemption a principal amount of bonds within each maturity so as to provide for as nearly as possible equal annual bond service requirements on the bonds to remain outstanding. The bonds to be redeemed within each maturity will be selected by lot.

Except as provided above, bonds maturing on or before May 15, 1988, a total principal amount of \$1,950,000, are not subject to call or redemption prior to their fixed maturity dates. Bonds maturing on or after May 15, 1989, a total principal amount of \$5,675,000, are subject to call and redemption, at the option of the Authority, as a whole or in part in inverse order of maturity and by lot within a single maturity on May 15, 1988, or on any interest payment date thereafter.

The bonds are redeemable at par plus accrued interest and a premium equal to one quarter of one percent for each year or portion of a year from the redemption date to the fixed maturity date, but not to exceed five percent. The maximum premium payable upon redemption of the bonds on or after May 15, 1988, would be three and one-quarter percent.

## **Notice of Redemption**

Notice of redemption is to be published in a financial newspaper or financial journal, published in the City of New York, New York. The first publication will be at least 30 days but not more than 60 days prior to the redemption date. The Treasurer is required to give written notice to the owners of any registered bonds.

## **Legal Opinion**

The unqualified opinion of O'Melveny & Myers, Los Angeles, California, bond counsel for the Los Angeles County Health Facilities Authority, attesting to the validity of the bonds, will be supplied free of charge to the purchasers of the bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the successful bidder.

Bond counsel's review of this Official Statement has been limited to the statements of law and legal conclusions set forth under the heading "The Bonds." Bond counsel's employment is limited to a review of the legal procedures required for the authorization of the leases described below and of the bonds and to rendering an opinion as to the validity of the bonds and the exemption of interest on the bonds from income taxation. The opinion of bond counsel will not consider or extend to any documents, representations, offering circulars or other material of any kind concerning the bonds including portions of this Official Statement not mentioned in this paragraph.

## **Certificate Concerning Official Statement**

At the time of payment for and delivery of the bonds, the Authority will furnish the successful bidder a certificate, signed by an appropriate officer of the County and the Authority acting in his official capacity, to the effect that to the best of his knowledge and belief, and after reasonable investigation, (a) neither the Official Statement nor any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (b) since the date of the Official Statement no event has occurred which should have been set forth in an amendment or supplement to the Official Statement which has not been set forth in such an amendment or supplement; nor (c) has there been any material adverse change in the operation or financial affairs of the County or the Authority since the date of such Official Statement.

## **Other Closing Documents**

In addition to the opinion of bond counsel and the certificate concerning the official statement described above, the Authority will, at the time of the delivery of the bonds, furnish the purchaser the



following documents, all to be dated as of the date of delivery:

1. **CERTIFICATE RE LIMITATION ON LEASE OBLIGATIONS** — A certificate of the County Auditor-Controller that the County has not exceeded the limitation on lease obligations imposed by Section 25371 of the Government Code.
2. **ARBITRAGE CERTIFICATE** — A certificate of a responsible officer of the Authority that, on the basis of the facts and circumstances in effect at the time of delivery of the bonds, it is not expected that the proceeds of the bonds will be used in a manner that will cause the bonds to be arbitrage bonds.
3. **NO LITIGATION CERTIFICATE** — A certificate of a responsible officer of the Authority that there is no litigation pending affecting the validity of the bonds.
4. **SIGNATURE CERTIFICATES** — Certificates of the respective officers and representatives of the Authority showing that they have signed the bonds, by manual or facsimile signature, and that they were duly authorized to execute the same.
5. **TREASURER'S RECEIPT** — The receipt of the Treasurer of the Authority showing that the purchase price of the bonds, including accrued interest to the date of delivery (if any) has been received by the Authority.

## **Tax Exempt Status**

In the opinion of bond counsel, the interest on the bonds is exempt from income taxes of the United States of America under present Federal income tax laws and such interest is also exempt from personal income taxes of the State of California under present State income tax laws.

## **Eligibility as Security for Public Funds**

In the opinion of bond counsel, the bonds are eligible to secure deposits of public funds in banks in the State of California.

## **Eligibility for National Banks**

A request has been made to the Comptroller of the Currency for a ruling that the bonds of the Authority are eligible for purchase, dealing in, underwriting and unlimited holding by national banks. The ruling is expected prior to the date of sale of the bonds.

## **Purpose of Issue**

The proceeds from the sale of the bonds will be used for the acquisition, construction and financing of a comprehensive health care center as more fully described in the section of this Official Statement headed "The Project."

## **Security**

Both principal and interest coming due each year are payable from annual base rental payments to be made by Los Angeles County for use of the project under provisions of the East Los Angeles Comprehensive Health Center Sublease, together with any interest or other income earned by the Authority, except interest earned during construction of the project.

Division 1, Part 4, Chapter 3 of the Revenue and Taxation Code of the State of California (commencing with Section 2201) limits the tax rate which the County may levy for purposes other than paying voted general obligation debts, employee retirement costs and certain other obligations, to the rates levied in either 1971/72 or 1972/73, whichever is higher, unless an increase in the tax rate is approved at an election, provided that the tax rate may be increased proportionately to the amounts by which increases in the population and/or the Consumer Price Index exceed the rate of increase in the assessed valuation of the County.

The obligation to make annual rental payments under the sublease is not one for which the County may increase its tax rate. However, the County is obligated under the sublease to annually budget for and appropriate money for the rental payment.

The 1975/76 County tax rate per \$100 of assessed valuation is \$4.4991 for general purposes and \$0.0194 for general obligation bond service. The office of the County Auditor-Controller estimates that the tax rate for 1975/76 could have been increased by an additional 27.42 cents per \$100 assessed valuation under the formula covering the ratios between population, the Consumer Price Index and assessed valuations. The Chief Administrative Officer of the County estimates that the maximum tax rate for the 1976/77 fiscal year will be approximately 38 cents per \$100 assessed valuation over the actual 1975/76 rate. The actual rate for the 1976/77 fiscal year has not been set.

## **Ground Lease and Sublease**

The site of the proposed health center is owned by the County. Under the East Los Angeles Comprehensive Health Center Ground Lease, the County will lease the site to the Authority for \$1. The ground lease will terminate on May 22, 2011, or one week after termination of the East Los Angeles Comprehensive Health Center Sublease described below, whichever is earlier.

The East Los Angeles Comprehensive Health Center Sublease provides that the Authority will lease back to the County the site together with the improvements to be made by the Authority. The lease will be dated May 15, 1976 and will extend to May 15, 2011, or until payment, or provision for payment, of the bonds has been made, whichever is earlier.

The sublease provides that, commencing on November 15, 1978, or upon completion of the project, whichever is later, the County will pay the Authority annually in advance a fixed base rental plus additional rent as described below, provided, however, that if the project is available for less than a full fiscal year, the first payment of the annual rental will be prorated. The remaining rentals will be payable July 1 and due July 10 of each year, until payment (or provision for payment) of all bond principal and interest has been made.

The sublease was approved as to form by the Board of Supervisors on March 30, 1976 and by the Authority on April 8, 1976. It is expected that on May 4, 1976, after the interest rates on the bonds have been determined, the Board of Supervisors and the Authority will give their final approval to the sublease, which will include provision for an annual base rental in an amount sufficient to meet actual annual bond service. Construction is expected to be completed by May of 1978, but, in order to provide for unforeseeable delays, the schedule of rental payments will be based on the first rent payment not being due until November 15, 1978. The Sublease provides that neither the Authority or the County shall take any action which extends the period of construction beyond the period for which interest on the bonds is funded.

The Ground Lease and the Sublease will be executed prior to the delivery of the bonds.

The County is required to provide for the operation and maintenance of the facilities at no expense

to the Authority and to pay to the Authority as additional rent the amount necessary to cover taxes and assessments, if any, to pay insurance premiums, to meet the operating expenses of the Authority and to maintain a balance of \$1,000 in the Working Capital Fund, to the extent interest earnings and other income of the Authority are insufficient for these purposes.

The sublease provides for the maintenance of insurance against damage or loss from fire, lightning, vandalism and such other perils ordinarily defined as extended coverage and such insurance as may be required by the bond resolution of the Authority. In the event of destruction of all or a part of the facilities, the Authority may use the insurance proceeds to rebuild the facilities or, with the consent of the County, to terminate the lease and redeem the bonds. The proceeds of any award in the event of condemnation will be used to redeem bonds. Any surplus remaining after redemption of the bonds or reconstruction of the facilities will be transferred to the County.

## **Disposition of Bond Proceeds**

The Resolution of Issuance provides that the proceeds from the sale of the bonds will be deposited with the Treasurer. The Treasurer will then place the premium and accrued interest (if any) in the Interest Fund and the balance of the proceeds in the Construction Fund, from which the Treasurer will make the following allocations:

1. To the Interest Fund a sum which will bring the balance to an amount equal to the first thirty months' interest on the bonds.
2. To the Working Capital Fund an amount of \$1,000 which is to be maintained as working capital.
3. Any balance remaining in the Construction Fund after completion of construction may be held for future use, transferred to the Interest and Retirement Funds or transferred to the Revenue Fund.

## **Creation of Special Funds**

The Resolution of Issuance provides for the establishment of special funds, all to be held and administered by the Auditor and Treasurer. These funds, together with their sources and uses, are listed on the facing page.



Fund	Principal Source	Use
Construction Fund	Bond Proceeds	Construction, balance remaining after completion of construction to other funds as indicated in the Resolution
Revenue Fund	County Rental Payments	Transfers to Interest, Retirement, and other required funds
Interest Fund	Bond Proceeds and Transfers from Revenue Fund	Bond interest
Retirement Fund	Transfers from Revenue Fund	Bond principal
Working Capital Fund	Bond Proceeds, Revenue Fund, and Additional Rent	Authority's administrative and miscellaneous expense
Operation and Maintenance Fund	Transfers from Revenue Fund	All costs of operation if operated by Authority
Redemption Fund	Any authorized source	For purchase or call of bonds ahead of maturity or credits on annual rent

## Deposit and Application of Revenues

All revenues of the Authority as defined in the Resolution are pledged to the punctual payment of bond interest and principal. All revenues will be immediately deposited by the Treasurer in the Revenue Fund. All moneys in the Revenue Fund are to be set aside and deposited in special funds in the following order of priority and to be withdrawn only for the purposes set forth.

1. **INTEREST FUND** — Upon the date of the receipt of the first rental payment under the Sublease the Controller will deposit a sum sufficient, together with the balance then on hand, to pay the interest coming due on the next interest payment date. Thereafter, on or before July 30 of each year, beginning July 30, 1979 the Controller will deposit a sum sufficient, together with the balance then on hand, to pay the twelve months' interest coming due on the next November 15 and May 15.
2. **RETIREMENT FUND** — Upon the date of the receipt of the first rental payment under the Sublease the Controller will deposit a sum sufficient to pay the principal coming due on the next May 15. Thereafter, on or before July 30 of each year while any of the bonds are outstanding, the Controller will deposit a sum sufficient, together with the balance then on hand, to pay the principal due on the next May 15. Moneys in this fund are to be used solely for the purpose of paying the principal of the bonds.
3. **WORKING CAPITAL FUND** — Moneys in this fund are to be disbursed by the Controller for pay-

ment of such items as taxes or assessments, if any, levied upon the project, administrative costs of the Authority, and insurance premiums. A sum of \$1,000 will be initially deposited into the fund and at least this amount must be maintained as unencumbered working capital. The Treasurer and Controller are required to bill the County for additional rental which the County is obligated to pay under the terms of the sublease.

4. **OPERATION AND MAINTENANCE FUND** — The County will operate the project; however, if at any time the Authority is required to operate the project as a result of default by the County, the Controller is required to deposit in this fund all amounts which will be required to pay for the maintenance and operation of the project. Moneys in the fund can only be disbursed by the Controller on request by the Authority.

All moneys in the Revenue Fund on August 15 of each year, on and after August 15, 1979, provided that such moneys are not required for the above purposes, may be used, at the direction of the Authority, for additions or improvements to the project, for purchase or redemption of bonds, or to reimburse the County for base or additional rent previously paid.

## Additional Bonds

Section 6.15 of the Resolution of Issuance provides that no additional indebtedness with a priority over the bonds currently being offered may be issued.

Additional bonds may be issued on a parity with these bonds subject to the following conditions, as specified by Section 3.04 of the Resolution:

1. The additional bonds must be for the purpose of financing completion of the project or an addition to the project and must be declared by a supplemental resolution to be necessary for that purpose.
2. The Authority must be in compliance with all covenants of the Resolution of Issuance.
3. The additional bonds must be equally and ratably secured.
4. The additional bonds must be serial bonds with principal maturing on May 15 and with interest payable on May 15 and November 15 of each year. The additional bonds may not be subject to redemption prior to May 15, 1988, except in the event of destruction or condemnation of the project.
5. The Authority must enter into a revised sublease with the County in which the County obligates itself to increase the base rental and additional rental under the Sublease by an amount sufficient to provide for the payment of the principal of and interest on the additional bonds when due and to make all other necessary payments.

## **Insurance Provisions**

In the Resolution the Authority covenants to maintain insurance, if such insurance is available on the open market from reputable insurance companies, as follows:

1. Insurance against loss or damage to the property resulting from fire, lightning, and other perils ordinarily defined as extended coverage, in amounts, if available, equal to the amount of the Authority's outstanding bonds.
2. Insurance against earthquake damage, if such insurance is available on the open market from reputable insurance companies, in an amount equal to the amount of the Authority's outstanding bonds, subject to deductible conditions not to exceed ten percent of the full insurable value.
3. Insurance against loss or damage from sprinkler systems.
4. Insurance against damage by explosion of steam boilers, pressure vessels and similar apparatus.

5. Insurance against war risks, if such insurance is available from insurance companies established by the United States of America, in an amount not less than 80 percent of the full insurable value of the project.

6. To maintain or cause to be maintained use and occupancy or rental income insurance against the foregoing perils in an amount equal to not less than two years' rental.

7. To maintain or cause to be maintained public liability insurance of not less than \$1,000,000 per any one accident.

8. To maintain or cause to be maintained workmen's compensation for all persons employed in connection with the project.

Full insurable value is defined as replacement cost new less depreciation.

## **Additional Covenants**

The Resolution contains other covenants, including but not limited to the following, in which the Authority agrees:

1. To punctually pay the bond principal and interest as they become due.
2. Not to mortgage, encumber, sell, lease, place a charge on, or otherwise dispose of the project or the revenues therefrom and not to enter any agreement which impairs the operation of the project or otherwise impairs the rights of the bondholders with respect to the revenues or operation without making adequate provision to protect the rights of bondholders.
3. To construct and complete the project in conformity with the construction contract.
4. To pay, discharge or contest any taxes, assessments, or other governmental charges upon the project or the revenues which might impair the security of the bonds.
5. To keep proper books of records and accounts and to file with the Treasurer annually, within 120 days after the end of each fiscal year, detailed independent certified audits covering the operation of the Authority, showing revenues, expenses, insurance in force, and the status of each fund.
6. To maintain or cause to be maintained and to keep in good repair the project and all buildings and equipment.



7. To take whatever action is necessary to cause the County to budget and appropriate funds for the rental payments as provided under the sublease.
8. If for any reason the Authority should operate the project, to fix, prescribe and collect charges which will be sufficient together with all other income of the Authority to pay the bond principal and interest as they become due, to pay for all expenses of operation, maintenance and repair of the project and to maintain the special funds provided for in the Resolution.

### **Remedies Upon Default**

The resolution provides that any of the following will constitute an event of default:

1. Failure to pay any bond principal, interest or premium when due, either at maturity or by call for prior redemption.
2. Failure to correct any other default under the covenants, agreements or conditions set forth in the resolution, for a period of 60 days after notice of such default has been given the Authority by the Treasurer or by the holders of at least 25 percent of the outstanding principal amount of bonds.
3. Failure to bring suit against the County within 30 days if the County does not budget, appropriate or pay the rent due under the Sublease.
4. Any court shall assume custody or control of the Authority, or of a substantial part of its assets, under the provisions of any bankruptcy law, and such custody or control has not been terminated within 60 days after being assumed.

The resolution provides that, except as noted below, if any of these events of default occurs, all of the outstanding bond principal and all accrued interest will become due and payable upon notice to that effect being given the Authority by the Treasurer or by the holders of at least a majority of the outstanding principal amount of bonds. However, the resolution further provides that if the Municipal Bond Insurance Association has issued a policy guaranteeing the payment of the bonds, the acceleration of principal and interest payments will not be a remedy available to bondholders in the event of default so long as MBIA has made payments pursuant to its guarantee.

The resolution further provides, however, that the holders of at least a majority of the bonds may rescind such notice declaring all principal and accrued interest to be due and payable if the Authority shall have cured all events of default or shall have made provision therefor.

The resolution also provides that the bondholders have the right of mandamus or other appropriate remedy to compel the performance of the duties and responsibilities imposed by the resolution. However, in the opinion of bond counsel the effect of any such remedies may be limited by the laws of the State of California affecting such remedies and may also be limited by laws governing bankruptcy, insolvency or other matters affecting the enforcement of creditors rights, including such laws as may relate to the enforcement of creditors' rights against California public agencies.



Architect's rendering of the East Los Angeles Comprehensive Health Center



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# THE PROJECT

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## Project Description

The project, to be located at the County's East Los Angeles Administrative Complex, will provide an extended-hour ambulatory care and preventive medicine center to serve an estimated population of 30,000 people.

It will consist of a four-story building (including basement) of approximately 226,900 square feet. The basement and ground floor, covering approximately 116,990 square feet, will consist of a parking area for 334 cars and a ground-level entrance lobby. The health care facilities will be located on the two upper floors, totalling approximately 108,000 square feet. Mechanical equipment will be housed in a 1,910 square foot penthouse. The project will include undergrounding of electrical distribution lines on the site and in an adjacent area, landscaping and a sprinkler system.

The building was designed by Daniel, Mann, Johnson & Mendenhall, Architects, Los Angeles.

## Estimated Project Costs and Sources of Funds

Table 1 shows an estimate of the costs of the project (excluding equipment and furniture to be provided by the County) and the sources of funds to meet project costs. The construction costs are from the low bid received by the Authority from J. A. Stewart Construction Co. Inc., Westminster, California on February 25, 1976. Both the County

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**Table 1**

**LOS ANGELES COUNTY  
HEALTH FACILITIES AUTHORITY  
EAST LOS ANGELES  
COMPREHENSIVE HEALTH CENTER  
Estimated Project Costs and Sources of Funds**

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Construction Bid .....	\$5,893,100
Other Construction Costs .....	134,000
Contingencies .....	600,000
Subtotal .....	\$6,627,100
Funded Interest .....	1,334,375
Legal and Financing .....	67,525
Total Funds Required .....	\$8,029,000
Less: Interest Earnings .....	404,000
Bond Issue .....	\$7,625,000

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and the Authority have approved the award of the construction contract to J. A. Stewart Construction, subject to the receipt of bond proceeds.

### Federal Grant

The Department of Health, Education and Welfare has approved a construction grant to the County of \$2,447,773 for the project. The grant funds will be paid in increments as construction proceeds. It is expected that the County will use the grant funds

to pay for equipment and furniture at the facility. Accordingly the costs of these items are not included in the Authority's bond issue and the items are not included among the facilities to be leased to the County.

### Estimated Annual Bond Service

Table 2 is a schedule of estimated annual bond service requirements, based on an estimated interest rate of seven percent.

**Table 2**

#### LOS ANGELES COUNTY HEALTH FACILITIES AUTHORITY EAST LOS ANGELES COMPREHENSIVE HEALTH CENTER

#### Estimated Annual Bond Service

Fiscal Year	Principal Outstanding	Interest Estimated @ 7%	Principal Maturing	Total Bond Service
1976/77	\$ 7,625,000	\$ 533,750 <sup>①</sup>	\$ —	\$ 533,750
1977/78	7,625,000	533,750 <sup>①</sup>	—	533,750
1978/79	7,625,000	533,750 <sup>②</sup>	150,000	683,750
1979/80	7,475,000	523,250	150,000	673,250
1980/81	7,325,000	512,750	150,000	662,750
1981/82	7,175,000	502,250	175,000	677,250
1982/83	7,000,000	490,000	175,000	665,000
1983/84	6,825,000	477,750	200,000	677,750
1984/85	6,625,000	463,750	225,000	688,750
1985/86	6,400,000	448,000	225,000	673,000
1986/87	6,175,000	432,250	250,000	682,250
1987/88	5,925,000	414,750	250,000	664,750
1988/89	5,675,000	397,250	275,000 <sup>③</sup>	672,250
1989/90	5,400,000	378,000	300,000 <sup>③</sup>	678,000
1990/91	5,100,000	357,000	325,000 <sup>③</sup>	682,000
1991/92	4,775,000	334,250	350,000 <sup>③</sup>	684,250
1992/93	4,425,000	309,750	375,000 <sup>③</sup>	684,750
1993/94	4,050,000	283,500	400,000 <sup>③</sup>	683,500
1994/95	3,650,000	255,500	425,000 <sup>③</sup>	680,500
1995/96	3,225,000	225,750	450,000 <sup>③</sup>	675,750
1996/97	2,775,000	194,250	475,000 <sup>③</sup>	669,250
1997/98	2,300,000	161,000	525,000 <sup>③</sup>	686,000
1998/99	1,775,000	124,250	550,000 <sup>③</sup>	674,250
1999/00	1,225,000	85,750	600,000 <sup>③</sup>	685,750
2000/01	625,000	43,750	625,000 <sup>③</sup>	668,750
Total		\$9,016,000	\$7,625,000	\$16,641,000

① Paid from bond proceeds.

② One half paid from bond proceeds.

③ Callable on and after May 15, 1988.



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# COUNTY FINANCIAL DATA

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## Tax Rates

Following are the components of the County's tax rate per \$100 of assessed valuation for the 1975/76 fiscal year.

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### COUNTY OF LOS ANGELES

#### 1975/76 Tax Rate Per \$100 Assessed Valuation

Purpose	Rate
General Fund .....	\$4.4991
General Obligation Bond Debt Service .....	.0194
Total .....	\$4.5185

Source: Los Angeles County Tax Collector

The total County-wide tax rates levied during the past five years are summarized below.

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### COUNTY OF LOS ANGELES

#### Tax Rates Per \$100 Assessed Valuation

Fiscal Year	Tax Rate
1970/71 .....	\$4.0882
1971/72 .....	4.4337
1972/73 .....	4.0272
1973/74 .....	3.8652
1974/75 .....	4.3544

Source: Los Angeles County Tax Collector

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## Assessed Valuations

The assessed valuation of Los Angeles County is established by the County Assessor, except for utility property which is assessed by the State Board of Equalization.

According to the State Board of Equalization, Los Angeles County assessed valuations for the 1975/76 fiscal year averaged 25.3 percent of full cash value. Public utility property is reportedly assessed by the State at 25 percent of the state-wide average full cash value.

The Community Redevelopment Law (Health & Safety Code of the State of California, commencing with Section 33000) authorizes a method by which a community redevelopment agency (CRA) may

**COUNTY OF LOS ANGELES**  
**1975/76 Assessed Valuations**

	Net Assessed Valuation	Homeowners and Business Inventory Exemptions	Assessed Valuation For Revenue Purposes	Less: Increase In CRA Assessed Valuations	Net Amount Available
Secured .....	\$18,239,871,865	\$2,305,123,265	\$20,544,995,130	\$273,507,220	\$20,271,487,910
Utility .....	1,274,562,745	4,416,045	1,278,978,790	37,237,839	1,241,740,951
Unsecured .....	2,580,632,903	801,181,290	3,381,814,193	128,736,850	3,253,077,343
Total .....	\$22,095,067,513	\$3,110,720,600	\$25,205,788,113	\$439,481,909	\$24,766,306,204

Source: Los Angeles County Auditor-Controller

finance redevelopment projects based upon a prescribed allocation of taxes collected within a redevelopment project area. The assessed valuation of the project area as of the lien date last preceding the establishment of the area is determined. Thereafter, the County and other overlapping taxing agencies receive only the amount of taxes attributable to the assessed valuation of the project area which is equal to or below the assessed valuation of the project area which existed prior to the establishment of the project area, until such time as the redevelopment project has been completed and all debts and other obligations of the CRA have been repaid. During this period the amount of taxes attributable to any assessed valuation of the project area which is in excess of the assessed valuation which existed prior to the establishment of the project area is allocated to the CRA. After the project has been completed and all debts and other obligations of the CRA have been retired, the County and other overlapping taxing agencies receive the taxes attributable to the entire assessed valuation of the project area.

Under Sections 218 and 219 of the Revenue and Taxation Code of the State of California, \$1,750 of the assessed valuation of an owner-occupied dwelling and 50 percent of the assessed valuation of business inventories are exempt from ad valorem taxes. However, these exemptions do not result in any loss of revenues to the County or to other local taxing agencies since under Part 1 of Division 4 of the Government Code of the State of California (commencing with Section 16100) an amount equivalent to the taxes which would have been payable on such exempt properties is reimbursed by the State.

The tabulation above shows the 1975/76 assessed valuation of Los Angeles County before and after giving effect to the homeowners' and business inventory exemptions and the increases in assessed valuations of redevelopment project areas valuations.

The following tabulation summarizes the growth in assessed valuations of the County (before deduction of reimbursable exemptions) which occurred over the preceding five years.

**COUNTY OF LOS ANGELES**  
**Growth in Assessed Valuation**

Fiscal Year	Assessed Valuation	Less: Increase In CRA Assessed Valuations	Net Amount Available
1970/71	\$19,646,586,232	\$ 35,436,185	\$19,611,150,047
1971/72	20,271,350,059	56,567,406	20,214,782,653
1972/73	21,167,381,796	114,398,487	21,052,983,309
1973/74	21,899,685,395	161,612,884	21,738,072,511
1974/75	23,271,164,989	248,811,235	23,022,353,754

Source: Los Angeles County Auditor-Controller

**Tax Levies and Collections**

Los Angeles County taxes are collected by the County Tax Collector. Taxes on secured property (including utility property) are payable in two installments, on November 1 and February 1, which become delinquent after December 10 and April 10, respectively. Taxes on property on the unsecured roll are assessed as of March 1 and become delinquent on the following August 31.



## COUNTY OF LOS ANGELES

### General Fund Secured Tax Levies and Collections<sup>①</sup>

Fiscal Year	Secured Tax Levy	Taxes Collected Through June 30				
		Amount <sup>②</sup>			Percentage of Current Year Levy	
		Current Year	Prior Years	Total	Current Year	Total
1970/71 .....	\$662,495,272	\$649,823,677	\$ 8,254,962	\$658,078,639	98.09%	99.33%
1971/72 .....	749,330,440	735,159,039	12,481,549	747,640,588	98.11	99.77
1972/73 .....	702,274,991	688,980,627	12,878,706	701,859,333	98.11	99.94
1973/74 .....	649,297,640	636,663,980	12,779,380	649,443,360	98.05	100.02
1974/75 .....	783,593,608	766,221,920	12,787,118	779,009,038	97.78	99.41

① Excludes taxes for general obligation bond debt service and for Accumulative Capital Outlay Fund

② Includes penalties and interest

Source: Los Angeles County Auditor-Controller

The tabulation above shows the total taxes levied by the County for General Fund purposes during the fiscal years 1970/71 through 1974/75, together with the amounts and percentages of current and prior year taxes collected as of June 30 of each year.

### Employee Retirement System

The Los Angeles County Employee Retirement Association was established as of January 1, 1938, pursuant to the County Employees Retirement Law of 1937 (Government Code of the State of California, commencing with Section 31450).

Every permanent employee working three-quarter time or more automatically becomes a member of the Association. Part time employees working at least 180 days in a calendar year may become optional members. Employees under age 36 engaged in police, fire fighting and lifeguard work become Public Safety Members. All others become General Members.

As of December 31, 1975, the County had a total of 83,829 employees, of whom 74,525 were classified as permanent. As of the same date the Employee Retirement Association reported 78,439 active members, consisting of 69,786 General and 8,653 Safety Members.

The Association's Statement of Financial Condition for the 1975 calendar year showed that County and Employee Contributions accounted for 48 percent of the Association's total 1975 income, exclu-

sive of income from the sale and redemption of securities. Of this amount, employee contributions accounted for 36 percent and County contributions for 64 percent. Other income consisted of interest and dividends on securities; rents and returns of investment on real estate projects; interest and returns of investment on mortgage loans, OASDI (Social Security) contributions; members medical insurance premiums and other miscellaneous income.

Investment decisions are made by a seven-member Board of Investment. Section 31520.2 of the Government Code provides that the Board of Investment shall consist of the County Treasurer; two persons elected by the general members of the Association from among their number; one safety member elected by the safety members; and three electors of the County, who do not have any connection with County government, who are experienced in institutional investing, and who are appointed by the Board of Supervisors. All investments in real property must be approved unanimously by the Board of Retirement.

Although rents on real property and mortgage loan interest earnings are not reported separately from returns of investments in these categories, the County Treasurer reports that total 1975 earnings on investments, including rents, interest and dividends, exceeded the total benefits paid. Accordingly all employee and County contributions went to fund future liabilities.

The County Employees Retirement Law of 1937 requires that an actuarial survey be completed each three years. The most recent survey was conducted by Little, Church & Chapin, Inc., Consulting Actuaries, Pasadena, California, as of December 31, 1974. The report of the results was dated May 20, 1975.

The survey found that the system required \$3,669,509,388 to be fully funded on a present value basis, whereas the annual report of the Retirement Association showed assets of \$1,499,381,349 as of December 31, 1974. The survey recommended adjustments to the rates of contribution which were subsequently approved by the Board of Supervisors. The system is designed to be fully funded over a period of 30 years, of which 26 years remain.

The actuarial studies take into account both increases in current and future benefits which have been granted as a result of increases in the cost of living and increases in future benefits which will occur as a result of salary increases since the last study. These are added to the unfunded pension liability which is to be fully funded by the year 2000. In addition, during the period between actuarial studies the County has followed the practice of increasing its level of contributions proportionately to the increases in future benefits which will result from salary adjustments granted during the period.

However the actuarial studies do not take into account any future increases in benefits which may result from future escalation in the cost of living and concomitant salary adjustments, on the basis that such increases are indeterminable.

## Revenues, Expenditures and Fund Balances

Table 3 summarizes the County's revenues, expenditures and fund balances over the past five fiscal years, based on annual financial reports prepared by the County Auditor-Controller. The reports are prepared in accordance with accounting procedures set forth in a manual published by the State Controller. The accounts are maintained on a modified accrual basis, whereby certain revenues are recognized when earned or when levies are made and expenditures are recognized as soon as they result in liabilities for benefits received.

The amount of accrued revenues and accrued expenditures included in the amounts shown in Table 3 were as follows:

Fiscal Year	Revenues Accrued	Expenditures Accrued	Net Revenue Accrued
1970/71 . . .	\$145,812,429	\$ 75,048,701	\$ 70,763,728
1971/72 . . .	127,889,866	92,247,108	35,642,758
1972/73 . . .	184,184,678	102,078,255	82,106,423
1973/74 . . .	237,515,189	129,708,000	107,807,189
1974/75 . . .	258,015,206	128,753,653	129,261,553

Source: County Auditor-Controller

The table sets forth the transactions of the following funds:

1. **COUNTY-WIDE FUNDS INCLUDED IN THE GENERAL TAX LEVY** — These consist of the General Fund, the Accumulative Capital Outlay Fund and the Debt Service Fund, which derive all or a part of their revenues from ad valorem taxes levied on all taxable property within the County.
2. **COUNTY-WIDE FUNDS NOT INCLUDED IN GENERAL TAX LEVY** — These consist of the funds applicable to county-wide operations which do not derive revenues from ad valorem taxes levied by the County, including, among others, the Aviation Fund, the Road Fund, and the Federal Revenue Sharing Fund.
3. **LESS THAN COUNTY-WIDE FUNDS** — These consist of the funds of five road districts and the County library system. They derive a portion of their revenues from ad valorem taxes which are levied in only a portion of the County. The expenditures from these funds may be made only for the operation, maintenance and improvement of roads or libraries, respectively, within the areas where such ad valorem taxes are levied.

The table does not include the transactions of special districts governed by the Board of Supervisors, trust and agency funds, or school districts and special districts governed by independent boards of directors. The table also excludes transactions of certain other funds which are held by the County Treasurer but accounted for separately, except that gross cash transactions are shown in the annual financial statements prepared by the County Auditor-Controller. These consist of the funds of the Marina Del Rey project, a self-supporting project financed by revenue bonds issued and eleven working capital funds. The working capital funds include the funds



Table 3

## COUNTY OF LOS ANGELES

## Revenues, Expenditures and Fund Balances

Fiscal Year	1970/71	1971/72	1972/73	1973/74	1974/75
<b>BEGINNING FUND</b>					
BALANCES .....	\$ 89,736,214	\$ 101,052,218	\$ 210,707,827	\$ 316,513,455	\$ 313,720,992
<b>REVENUES</b>					
Property Taxes <sup>①</sup> .....	\$ 749,382,406	\$ 852,093,303	\$ 832,192,157	\$ 756,738,943	\$ 881,916,811
Sales and Use Taxes ..	11,008,251	10,989,188	13,445,753	17,165,111	18,721,428
Franchise Taxes .....	1,153,329	1,241,929	1,359,695	1,407,250	1,586,978
Other Taxes .....	6,781,867	6,966,453	5,483,251	5,071,834	5,644,389
Total Taxes .....	\$ 768,325,853	\$ 871,290,873	\$ 852,480,856	\$ 780,383,138	\$ 907,869,606
Licenses and Permits ..	6,813,413	7,511,482	7,608,561	7,684,912	7,387,156
Fines, Forfeitures and Penalties .....	11,285,715	14,164,405	14,654,148	15,325,375	15,918,510
From Use of Money and Property .....	14,974,015	17,996,907	21,440,322	34,872,469	33,631,208
Federal Revenue Sharing Funds .....	—	—	106,570,495	98,872,696	92,644,188
State Property Tax Relief Funds .....	40,894,224	47,161,668	46,622,099	99,966,280	123,599,672
Other Federal and State Funds .....	894,345,491	989,792,414	1,015,356,409	907,065,574	861,777,861
Service Charges .....	153,114,433	175,254,994	149,124,779	273,889,851	313,308,846
Other .....	(17,582,075)	3,940,779	15,305,437	30,673,667	27,836,090
Total Revenues .....	\$1,872,171,069	\$2,127,113,522	\$2,229,163,106	\$2,248,733,962	\$2,383,973,137
<b>EXPENDITURES</b>					
General Government ..	282,411,289	298,375,579	335,826,554	408,350,306	512,600,344
Public Protection .....	239,820,312	266,727,137	302,413,402	333,092,929	363,252,666
Public Works .....	70,915,134	75,610,403	70,353,472	77,757,676	85,126,441
Public Assistance .....	1,210,768,644	1,319,800,495	1,355,555,888	1,369,068,231	1,392,042,835
Education and Library ..	17,962,678	14,846,777	15,354,481	16,776,469	18,483,812
Recreation .....	26,432,861	30,176,730	32,205,312	37,405,135	40,087,585
Debt Service <sup>②</sup> .....	6,932,314	6,759,201	6,163,901	5,999,476	5,715,045
Total Expenditures .....	\$1,855,243,232	\$2,012,296,322	\$2,117,873,010	\$2,248,450,222	\$2,417,308,728
<b>NET FUND BALANCE</b>					
ADJUSTMENTS <sup>③</sup> .....	(\$ 5,611,833)	(\$ 5,161,591)	(\$ 5,484,468)	(\$ 3,076,203)	\$ 1,435,299
<b>ENDING FUND</b>					
BALANCES .....	\$ 101,052,218	\$ 210,707,827	\$ 316,513,455	\$ 313,720,992	\$ 281,820,700

① Includes penalties and interest on delinquent taxes collected.

② General obligation debt service. Does not include payments under lease obligations shown in Table 6.

③ Adjustments occur when monies and appropriation authority are transferred from one fund to another (e.g. monies for air pollution control activities were generated in General Fund but were transferred to Air Pollution Control District, along with responsibility for the program, accounting for most of negative adjustments; while Revenue Sharing Funds were transferred to General Fund and one other fund in 1974/75, accounting for positive adjustment in that year, since the amount transferred to General Fund was expensed to Revenue Sharing Fund).

attributable to three sanitary land-fill projects which are operated by the County Sanitation Districts, but which are owned by the County, and two funds which derive revenues from transfers from the three sanitary land-fill funds. The County will receive the net assets of these funds when the land-fills are completed.

As can be seen from the table, State and Federal subventions and grants represent a major portion of the County's revenues. Most Federal and State subventions and grants are either in the form of reimbursements to the County or funds expended under specific programs (e.g. MediCal and MediCare) or in the form of funds earmarked for expenditure for certain restricted purposes (e.g. gas tax funds which may be used only for the construction or repair of major streets and highways). The two major exceptions are Federal revenue sharing funds and State Property Tax Relief Funds.

Public Law 92-512 provides that revenue-sharing funds may be used for the following purposes: public safety, environmental protection, transportation, health, recreation, libraries, social services for the poor or aged, financial administration, and ordinary and necessary capital expenditures. Such funds may not be used as a local agency's matching share of the cost of projects or programs financed in part by Federal grants. Unless extended or reenacted by Congress, this program will expire on December 31, 1976.

State Property Tax Relief Funds are the amounts paid by the State in lieu of taxes on the exempt portion of homeowners' and business inventory properties, as described above under the subheading "Assessed Valuations." The funds may be used for any purpose for which the taxes were levied.

It may be noted that revenues exceeded expenditures in 1974/75 and are budgeted to do so again in 1975/76. However, the County Audited-Controller reports that this is not an uncommon practice in municipal finance, when such expenditures can be met with fund balances carried over from preceding years.

Under the County's accounting system it is impracticable to set forth figures comparable to those shown in Table 3 as of the end of any period except the fiscal year ending June 30. This is mainly due to the fact that certain revenues and expenditures are only accrued as of the end of the fiscal year, and the fact that certain adjustments to fund balances are made at that time also, as explained in footnote 3 to Table 3.

The tabulation on the following page presents a summary of revenues, expenditures and fund balances budgeted for the 1975/76 fiscal year. The Chief Administrative Office, which compiled the summary, states that, while certain categories of revenues and expenditures may be greater than the budgeted amounts and others may be less, the County expects its overall financial results to be approximately as shown.

Despite the fact that County has ended each fiscal year with a positive fund balance, from time to time during the year the County's cumulative General Fund expenditures exceed the Fund's revenue receipts. This is primarily due to the cyclical nature of certain revenues (e.g. ad valorem tax receipts). In recent years it has also been affected increasingly by lags in receipts of reimbursements for expenditures on certain Federal and State programs. Section 6 of Article XVI of the State Constitution provides for temporary transfers to the General Fund from the total funds held by the County Treasurer (including funds of school and special districts) to cover such interim differences between revenue receipts and expenditures, but precludes such transfers during the period from the last Monday in April to the end of the fiscal year, June 30.

The Chief Administrative Officer reports that the County has been able to cover the difference between revenue receipts and expenditures during the latter part of each year with General Fund cash reserves, plus, during the 1973/74 and 1974/75 fiscal year, temporary transfers of general revenue sharing funds (\$37,000,000 and \$135,000,000 respectively) which were subsequently reimbursed with revenues accrued but not received during the respective fiscal years.

The Chief Administrative Officer expects that during the latter part of the 1975/76 fiscal year, an acceleration in payments of \$20,000,000 due from the State will reduce the General Fund's net cash requirements to approximately \$70,000,000, which will be covered by transfers of less than \$30,000,000 of general revenue sharing funds and of approximately \$25,000,000 from the County's Accumulative Capital Outlay (ACO) Fund (Assembly Bill 3468, adopted by the 1976 State Legislature, authorizes temporary transfers to be made from the County's ACO Fund to the General Fund at any time during the year), plus short term borrowings of approximately \$18,000,000 from the temporarily idle funds of special districts governed by the Board of Supervisors, a procedure approved as to legality by the



## COUNTY OF LOS ANGELES

### Budgeted 1975/76 Revenues, Expenditures and Fund Balances

BEGINNING FUND BALANCES ..	\$ 281,820,700
REVENUES	
Property Taxes <sup>①</sup> .....	\$1,014,751,099
Sales and Use Taxes .....	22,144,066
Franchise Taxes .....	1,602,630
Other Taxes .....	4,678,799
Total Taxes .....	\$1,043,176,594
Licenses and Permits .....	10,014,986
Fines, Forfeitures and Penalties ...	14,944,117
Use of Money and Property <sup>②</sup> .....	17,102,261
Federal Revenue Sharing Funds ...	124,947,909
State Property Tax Relief Funds ..	142,192,960
Other Federal and State Funds ...	1,054,274,934
Services Charges .....	313,496,188
Other .....	35,949,049
Total Revenues .....	\$2,756,098,998
EXPENDITURES AND RESERVES	
General Government .....	\$ 644,268,754
Public Protection .....	398,985,018
Public Works .....	119,968,170
Public Assistance .....	1,561,124,975
Education and Library .....	23,455,225
Recreation .....	46,362,014
Debt Service <sup>②</sup> .....	5,070,726
Total Expenditures .....	\$2,799,234,882
CONTINGENCIES .....	16,061,618
PROVISION FOR TAX	
DELINQUENCIES .....	28,412,868
RESERVES .....	5,781,369
TOTAL EXPENDITURES AND	
RESERVES .....	\$2,849,490,737
NET FUND BALANCE	
ADJUSTMENTS <sup>③</sup> .....	\$ 5,781,369
ENDING BALANCES .....	\$ 194,210,330

① Includes penalties and interest on delinquent taxes.

② General obligation debt service. Does not include payments under lease obligations.

③ Projected net-out of reserves.

County Counsel. The transfer from the ACO Fund and the loans from the special districts together may not exceed the revenues to be received or accrued during the fiscal year and are payable from such revenues.

It is anticipated by the Chief Administrative Officer that year-end cash requirements will be somewhat lessened in future years by an acceleration in the collection of funds due from the Federal and State governments for various health care programs. Other recommended mitigating steps are better cash flow controls and an increase in the General Fund cash reserves, although it should be noted that the latter step would require a number of years to accomplish unless General Fund revenues were substantially increased or expenditures were curtailed.

In addition to the possible termination of the Federal revenue sharing program, the future of various Federal and State funded and/or mandated programs (including Federal programs requiring additional, uncompensated expenditures by the County) may affect future revenues, expenditures and fund balances. Changes in such programs may substantially reduce the County's available funds in future years. Should such reductions occur, it would be necessary for the County to increase its tax rate (within the confines of the relevant tax limit) and/or to reduce the level of services provided.

Under current County budgeting policy, the amounts of taxes allocated to community redevelopment agencies, as explained under the subheading "Assessed Valuations", has increasingly impacted County revenues. The County Auditor-Controller estimates that the amounts of such tax allocation payments will increase in the 1976/77 fiscal year by 20 percent from the \$19,713,032 to be paid in fiscal year 1975/76. In the opinion of the Auditor-Controller, these payments constitute a revenue shortfall to the County which results in a decrease in the available fund balance at the end of each fiscal year and accordingly must be reflected by an increase in the revenues or a decrease in the expenditures budgeted for the next year. However, the Auditor-Controller plans to establish a program which, commencing with the 1976/77 fiscal year, will recognize the allocation of such tax monies in the fiscal year in which it occurs.

### Balance Sheets

Table 4 sets forth the County's assets and liabilities as of the end of the past two fiscal years, based on

Table 4

## COUNTY OF LOS ANGELES

## Balance Sheets

Fiscal Year Ending June 30:		1974		1975		
	County- Wide	Less Than County- Wide	Total	County- Wide	Less Than County- Wide	Total
<b>ASSETS</b>						
Cash .....	\$ 159,715,793	\$ 7,463,211	\$ 167,179,004	\$ 87,674,468	\$ 7,304,936	\$ 94,979,404
Imprest Cash <sup>①</sup> ..	499,675	1,500	501,175	519,425	2,500	521,925
Taxes Receivable <sup>②</sup> ..	15,237,124	387,611	15,624,735	19,620,921	445,562	20,066,483
Accounts Receivable <sup>③</sup> ..	221,783,398	107,056	221,890,454	237,947,423	1,300	237,948,723
Loans Receivable <sup>④</sup> ..	2,560,366	—	2,560,366	2,216,715	—	2,216,715
Future Loan Repayment <sup>⑤</sup> ..	31,750	—	31,750	31,750	—	31,750
Due From Other Funds <sup>⑥</sup> .....	165,078,148	487,655	165,565,803	298,755,896	527,586	299,283,482
Materials and Supplies .....	12,425,678	—	12,425,678	15,994,665	—	15,994,665
Investments .....	12,820,137	—	12,820,137	7,972,637	—	7,972,637
Future Bond Redemptions <sup>⑦⑧</sup> ..	31,691,000	—	31,691,000	27,080,000	—	27,080,000
Fixed Assets <sup>⑨</sup> ..	760,181,915	21,953,992	782,135,907	824,875,304	25,240,337	850,115,641
Total Assets ..	\$1,382,024,984	\$30,401,025	\$1,412,426,009	\$1,522,689,204	\$33,522,221	\$1,556,211,425

① Cash, including bank deposits, set aside for payments of small amounts which will be expensed to the proper expenditure account at the time the amount of the payment is reimbursed.

② The unapportioned or uncollected portion of taxes levied during the current fiscal year.

③ Includes amounts due from Federal and State governments. Does not reflect any provision for uncollectible accounts.

④ Loans receivable from other governmental units.

⑤ Represents value of real property transferred from General Fund to one of "County-Wide Funds Not Included In General Tax Levy." Shown as such under "Assets" since not included in "Fixed Assets." Shown as such under "Liabilities" since value of property is to be paid to General Fund in future by the fund to which assets were transferred.



Fiscal Year Ending  
June 30:

	1974			1975		
	County- Wide	Less Than County- Wide	Total	County- Wide	Less Than County- Wide	Total
<b>LIABILITIES AND EQUITIES</b>						
<i>Liabilities</i>						
Warrants Payable \$	3,425,276	\$ —	\$ 3,425,276	\$ 2,125,134	\$ —	\$ 2,125,134
Vouchers Payable <sup>⑩</sup>	103,825,569	1,208,841	105,034,410	109,332,991	1,214,590	110,547,581
Accounts Payable	24,044,181	629,409	24,673,590	17,860,708	345,364	18,206,072
Loans Payable <sup>⑤</sup>	31,750	—	31,750	31,750	—	31,750
Due to Other Funds <sup>⑥</sup>	150,997,566	715,518	151,713,084	265,593,526	691,021	266,284,547
Long Term Debt Due in Future <sup>⑧</sup>	31,691,000	—	31,691,000	27,080,000	—	27,080,000
<i>Equities</i>						
Investment in Fixed Assets <sup>⑨</sup>	760,181,915	21,953,992	782,135,907	824,875,304	25,240,337	850,115,641
Unavailable Fund Balance <sup>⑪</sup>	176,149,467	2,931,044	179,080,511	185,500,496	2,430,461	187,930,957
Available Fund Balance <sup>⑫</sup>	131,678,260	2,962,221	134,640,481	90,289,295	3,600,448	93,889,743
Total Liabilities and Equities	\$1,382,024,984	\$30,401,025	\$1,412,426,009	\$1,522,689,204	\$33,522,221	\$1,556,211,425

⑥ The amounts shown as “Due From Other Funds” and “Due To Other Funds” include both amounts which are due between the funds portrayed in these Balance Sheets and amounts due from and/or due to additional funds held by the County Treasurer which are not portrayed in these Balance Sheets.

⑦ The amounts to be provided from general taxes or other revenues to retire the entire principal amount of outstanding bonds over their entire life. Shown as such since the debt does not represent a claim against gross assets but is secured by the general taxing power.

⑧ Does not include lease obligations portrayed in Tables 6 and 7.

⑨ At original cost. Includes amounts expended for construction in progress.

⑩ Represents expenditures from clearing accounts which have not been reimbursed from funds to which such expenditures are chargeable.

⑪ Reserved for specific requirements and not available for financing subsequent fiscal year budget requirements.

⑫ Available to finance subsequent fiscal year budget requirements.

annual financial statements prepared by the County Auditor-Controller. These balance sheets portray the same funds shown in Table 3 and, as in the case of Table 3, they do not include the funds of special districts which are governed by the Board of Supervisors, trust and agency funds held by the County Treasurer, the funds of school districts and special districts governed by independent boards of directors which are deposited with the County Treasurer, or the Working Capital Funds and the Marina Del Rey Fund described above.

## **Liability Insurance**

The County Chief of Risk Management reports that the County is insured or self-insured against potential losses under current and pending litigation. The Department reports that under the County's self-insurance program, funds are budgeted for the amount of malpractice and auto liability claims which are expected to be reduced to judgement during the fiscal year, for the expected amount of normal losses under other claims, based on historical experience, and for the full amount of workmen's compensation claims.

## **Lease Obligations**

Various parking authorities, authorities formed under joint exercise of powers agreements, and non-profit corporations have issued a total of \$219,060,000 of bonds which are secured by pledges of rental revenues due under leases of the projects to the County (excluding the \$7,625,000 of bonds currently being offered for sale). The annual base rentals due under the leases total \$18,288,618, extending over various periods ending between 1991 and 2001.

The County Administrative Officer reports that an estimated \$1,442,500,000 of long-term financing may be considered within the next ten years for projects in various stages of design and construction. These include \$34,400,000 of projects under construction for which bonds may be sold to finance later stages of construction and the reimbursement of expenditures prior to the sale of bonds; \$264,700,000 of projects for which plans have been completed; and \$628,300,000 of projects in various stages of planning and design. Any decision as to when, or even whether, any of these projects will be constructed and as to whether bonds will be issued to finance con-

struction will be made by the Board of Supervisors. In a letter to the Board of Supervisors dated March 19, 1976, the Chief Administrative Officer recommended reevaluation of all projects requiring long-term financing.

## **Debt Limit**

Section 25371 of the Government Code of the State of California provides that a county may not enter into a long-term lease and lease-back if 60 percent of the total payments which would then be due from the county under all such lease and lease-back contracts over their entire terms, plus the outstanding bonded indebtedness of the county, would exceed the maximum bonded indebtedness of the county.

On March 16, 1975, the County Auditor-Controller certified that, as of April 1, 1976, 60 percent of the total payments due under leases covered by Section 25371 (excluding the rentals pledged to the payment of the bonds currently being offered for sale) would be \$233,036,202.98. The maximum annual base rental for the East Los Angeles Comprehensive Health Center has been established at \$743,300 by an ordinance of the Board of Supervisors adopted April 6, 1976. If the maximum annual rental were paid over the life of the bond issue, 60 percent of the total amount due would be \$10,090,297.50, which would bring the total covered by Section 25371 to \$243,126,500.48. In addition the certificate shows \$23,724,000 in outstanding general obligation bonds. The certificate shows the total assessed valuation of the County to be \$22,095,067,513. Section 29707 of the Government Code specifies that the maximum bonded indebtedness of the County (excluding bonds to finance water conservation, flood control, irrigation, reclamation, drainage, and county roads) is five percent of the assessed valuation or, in the case of Los Angeles County, \$1,104,753,375.65. Accordingly, if the annual base rental for the East Los Angeles Comprehensive Health Center were established at the maximum level established by the Board of Supervisors, the County would have an unused debt capacity of \$837,902,875.17.

## **Direct and Overlapping Bonded Debt**

As of May 4, 1976, the County will have \$23,724,000 of general obligation bonds outstanding, as summarized on the following page.



**COUNTY OF LOS ANGELES**  
**General Obligation Bond Debt**

Date	Purpose	Final Maturity	Outstanding 5/4/76
6/1/57	Juvenile Hall	1977	\$ 1,544,000
7/1/59	Hospital	1979	3,080,000
1/1/60	Hospital	1980	480,000
9/1/60	Detention Facilities	1980	1,575,000
9/1/60	Hospital	1980	3,865,000
3/1/65	Hospital	1985	1,530,000
4/1/66	Hospital	1986	11,650,000
Total .....			\$23,724,000

Source: Los Angeles County Auditor-Controller

There are also outstanding \$8,482,000 of 1959 Marina Del Rey Revenue Bonds which are secured solely by a pledge of revenues from the Marina Del Rey project.

Following is a summary of the total general obligation bonds outstanding as of June 30 of each of the past five fiscal years.

**COUNTY OF LOS ANGELES**  
**Outstanding General Obligation Bonds**

Fiscal Year	Bonds Outstanding June 30
1970/71 .....	\$46,309,000
1971/72 .....	41,153,000
1972/73 .....	36,422,000
1973/74 .....	31,691,000
1974/75 .....	27,080,000

Source: Los Angeles County Auditor-Controller

Table 5 shows a statement of the direct and overlapping bonded debt of the County.

**Annual Debt Service and Lease Obligations**

Table 6 presents a five-year summary of the County's general obligation bond service requirements and rental obligations under real property leases over the past five years.

Table 7 presents a summary of general obligation bond service requirements and rental obligations due in the future, excluding the rentals pledged to the payment of the bonds currently being offered for sale. As noted above, the Board of Supervisors has established the maximum annual base rental at \$743,300. However the sublease provides that the first payment will be due on the later of the date of completion of the project, or November 15, 1978, and will be pro-rated.

In both tables, the columns headed "Lease Revenue Bonds" show the annual base rentals pledged to the payment of bonds issued by authorities created under joint exercise of powers agreements, non profit corporations, and the Los Angeles County Parking Authority, but do not include variable additional rentals payable by the County to such lessors to meet the lessor's expenses in addition to bond service; and the columns headed "Retirement Funds" show the rentals payable to the Employee Retirement Associations. All of the leases from the Employee Retirement Association are subject to options for the County to purchase the leased properties.

**Table 6**  
**COUNTY OF LOS ANGELES**  
**General Obligation Bond Service and Rental Obligations: 1970/71-1974/75**

Fiscal Year	General Obligation Bond Service①	Annual Lease-Rental Obligations②		
		Retirement Funds	Lease-Revenue Bonds	Private Parties
1970/71	\$ 6,932,317	\$11,721,191	\$1,429,220	\$ 9,703,497
1971/72	6,759,203	13,992,849	3,905,610	12,023,205
1972/73	6,163,904	15,778,793	5,598,914	13,465,563
1973/74	5,999,478	17,024,105	6,110,469	14,499,911
1974/75	5,715,048	17,158,686	9,733,411	8,426,857

① Source: Los Angeles County Auditor-Controller

② Source: Los Angeles County Facilities Department

The column headed "Private Parties" in Table 6 shows rentals paid to various private parties under leases extending over various terms.

The Los Angeles County Facilities Department reports that due to the number and varying terms of

Table 5

## COUNTY OF LOS ANGELES

## Estimated Direct and Overlapping Bonded Debt

Estimated Population .....	6,970,000 <sup>①</sup>
1975/76 Assessed Valuation .....	\$24,766,306,204
Estimated Market Value .....	97,949,435,000 <sup>②</sup>

	Debt Applicable May 4, 1976 <sup>③</sup>	
	Percentage	Amount
Los Angeles County .....	100.000%	\$ 23,724,000
Los Angeles County Lease Revenue Obligations .....	100.000	198,925,702 <sup>④</sup>
Los Angeles County Flood Control District .....	100.000	484,016,667
Metropolitan Water District of Southern California .....	61,821	336,474,393
School Districts .....	⑤	685,121,000
Other Districts .....	⑤	120,896,240
Cities and Lease Revenue Obligations .....		546,280,850 <sup>⑥</sup>
Total Direct and Overlapping Debt .....		\$2,395,438,852
Less: Self-Supporting Bonds .....		78,636,900
Metropolitan Water District Bonds Paid From City Water Resources .....		20,504,750
Los Angeles Parking Authority Refunding Bonds (Paid From Escrow Account) .....		26,925,000
Net Direct and Overlapping Debt .....		\$2,269,372,202

	Percentage of		
	Assessed Valuation	Market Value	Per Capita
Assessed Valuation .....	— %	— %	\$3,553
Direct Debt .....	0.096	0.024	3
Gross Direct and Overlapping Debt .....	9.672	2.446	344
Net Direct and Overlapping Debt .....	9.163	2.317	326

① As of July 1975, according to the State Department of Finance.

② The State Board of Equalization reports that Los Angeles County assessed valuation for 1975/76 fiscal year averaged 25.3 percent of full cash value, except for utility property which is assessed by the State, reportedly at 25 percent of the average state-wide full cash value.

③ Excludes sales, if any between April 8, 1976 and May 4, 1976, except for the bonds described in this official statement. Also excludes revenue bonds, assessment bonds, amounts payable to Metropolitan Water District of Southern California and amounts payable under State water contracts. Source: California Municipal Statistics, Inc.

④ Includes bonds described in this official statement. Also includes pro rata share of bonds payable from rents which are a joint obligation of both County and various cities. Excludes \$238,113,959 principal share of obligations to Employee Retirement Association.

⑤ Various. Most 100 percent.

⑥ Excludes \$591,000 of lease-purchase obligations.



**Table 7****COUNTY OF LOS ANGELES****Future General Obligation Bond Service and Rental Obligations**

Fiscal Year	General Obligation Bond Service <sup>①</sup>	Lease-Rental Obligations <sup>②</sup>	
		Retirement Funds	Lease-Revenue Bonds
1976/77	\$4,877,355	\$16,598,586	\$17,190,618
1977/78	3,955,045	16,598,586	17,190,618
1978/79	3,835,615	16,598,586	18,256,188
1979/80	3,716,185	16,598,586	18,155,618
1980/81	2,720,928	16,598,586	18,155,618
1981/82	1,566,847	16,598,586	18,155,618
1982/83	1,519,808	16,598,586	18,155,618
1983/84	1,472,767	16,598,586	18,155,618
1984/85	1,425,145	16,598,586	18,155,618
1985/86	1,207,523	16,598,586	18,155,618
1986/87	—	16,598,586	18,155,618
1987/88	—	16,598,586	18,155,618
1988/89	—	16,598,586	18,155,618
1989/90	—	16,598,586	18,110,137
1990/91	—	16,598,586	18,089,271
1991/92	—	16,088,562	17,540,395
1992/93	—	16,088,562	17,089,330
1993/94	—	16,088,562	16,621,618
1994/95	—	16,088,562	15,099,240
1995/96	—	16,088,562	14,529,570
1996/97	—	15,929,160	14,266,963
1997/98	—	15,413,160	12,425,194
1998/99	—	15,181,596	10,836,426
1999/00	—	14,632,968	9,039,074
2000/01	—	13,506,060	3,311,671
2001/02	—	12,162,456	—
2002/03	—	11,495,904	—
2003/04	—	9,753,876	—
2004/05	—	9,551,064	—
2005/06	—	1,575,000	—

① Source: Los Angeles County Auditor-Controller

② Source: Los Angeles County Facilities Department

the County's leases with private parties, the amounts due in future years under these leases cannot be readily determined.

During the 1975/76 fiscal year a total of \$5,070,726 in general obligation bond principal and interest payments have or will become due, according to the County Auditor-Controller, and the County Facilities Department estimates that a total of \$40,608,421 in rental payments will be made.

**Proposed New County**

The County Board of Supervisors has received a petition calling for the formation of a new county — to be called Canyon County — covering approximately 735 square miles presently located in the northwestern portion of Los Angeles County. The procedure for creation of new counties is contained in Title 3, Division 1, Chapter 3 of the Government Code of the State of California, commencing with Section 23300 (the Law). Pursuant to the Law, the Governor of the State has appointed a Commission to review the proposed formation. The law requires the commission to determine the distribution of indebtedness between the proposed new county and Los Angeles County and the amount and method of payment for assets of Los Angeles County to be transferred to the new county, the fiscal impact of the creation of the new county on Los Angeles County and the economic viability of the new county, the boundaries of the new county, and a procedure for transition of service functions and responsibilities from Los Angeles County to the new county, plus certain matters relating to the organization of the new county. Following completion of the commission's findings, an election must be held. Approval of a majority of the voters within all of Los Angeles County and within the proposed new county is required for the proposed formation to be effective.

The Los Angeles County Chief Administrative Officer has estimated that based on 1974/75 expenditure levels, formation of the new county would result in reductions of \$24,900,000 in revenues and \$23,200,000 in expenditures by Los Angeles County and that the continuation of services at the same level provided by Los Angeles County would cost the new county approximately \$33,600,000 and would require an ad valorem tax rate of \$8.9512 per \$100 assessed valuation.



Panoramic Photograph of Downtown Los Angeles

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# THE COUNTY

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Los Angeles County was created by an act of the State Legislature in 1850 as one of California's 27 original counties. It covers an area 4,083 square miles in the south coastal portion of the State. It is the most populous county in the nation.

The County is one of the three metropolitan areas in the nation with annual retail sales exceeding \$20 billion. More major industrial and financial corporations are headquartered in Los Angeles than in any other area in the west. As a result of the area's extensive natural and human resources it has a well diversified economy.

The County has approximately 55 miles fronting on the Pacific Ocean, with numerous public beaches, marinas and other recreational areas. To the east and north it extends into mountainous National Forest lands and the high deserts. Recreational facilities, including the motion picture industry, theaters, museums, and parks, contribute to its attraction to vacationers and conventions.

## County Government

Los Angeles County was originally established as a general law county. In 1913 it became a charter county.

The County is governed by a five-member board of supervisors who are elected by district to serve four-year alternating terms at elections held every two years. The assessor, district attorney and sheriff are also elected officers. All other departments are headed by appointed officials.

The County Board of Supervisors also serves as the governing board for more than 250 special purpose districts serving various areas within its boundaries, including the County Flood Control District which encompasses all but three small areas of the County.

In addition, the County contracts to provide various municipal services to incorporated cities within its boundaries under the Contract Services Plan. The plan was established in 1954 when a series of new city incorporations began. It was designed to allow the new cities to make provision for municipal services without incurring the cost of establishing numerous city departments and facilities.

Under the plan the County will provide any or all such municipal services within a city at the same level as provided in unincorporated areas, or at such



higher level as the individual city may specify. Services are provided at cost.

The Contract Services Plan has now advanced to the point that every city in the County contracts for one or more such services.

## Population

The 1970 Census showed the Los Angeles County population to be 7,041,980 people, which exceeded the population of all but nine of the states. The State Department of Finance certified the July 1, 1975 population of the County to be 6,970,000. The slight decline is attributed by the State to net out-migration.

The tabulation below provides a comparison of population changes within the County and the United States.

## Housing Characteristics

The County Department of Regional Planning estimates that there were 2,695,401 housing units in the County as of January 1, 1975, compared with 2,541,603 shown by the 1970 Census.

Although single family homes are the predominate form of housing within the County — representing approximately two thirds of all dwelling units as of the end of 1975 — more than 85 percent of the 153,798 new residential units added since the 1970 Census were in multiple dwellings.

The 1970 Census showed the median value of owner-occupied dwellings within the County to be \$24,300, compared with a state-wide median value of \$23,100. Median monthly rentals were \$110 in the County and \$113 in the State.

During the 1975 calendar year, 8,822 building permits issued for new single family homes throughout the County showed an average value (excluding land) of more than \$41,000, according to "California Construction Trends" published by the Security Pacific National Bank.

## Personal Income

Los Angeles County residents have a per capita income level above both the State and national averages. The *Sales Management* magazine Annual Survey of Buying Power showed the per capita effective buying income for 1974 to be \$5,475 in the County, as compared to \$5,113 in the State and \$4,602 in the nation as a whole.

## Employment

Average annual employment of nonagricultural wage and salary workers provided by businesses and government located in Los Angeles County over the past five years, as estimated by the State Department of Employment Development, is shown in an accompanying tabulation.

## POPULATION

Year	Los Angeles County		United States	
	Population	Percentage Change	Population	Percentage Change
1930 .....	2,208,492 <sup>①</sup>	— %	122,775,096 <sup>①</sup>	— %
1940 .....	2,785,643 <sup>①</sup>	26.1	131,669,275 <sup>①</sup>	7.2
1950 .....	4,151,687 <sup>①</sup>	49.0	150,697,361 <sup>①</sup>	14.5
1960 .....	6,038,771 <sup>①</sup>	45.5	178,469,236 <sup>①</sup>	18.4
1970 .....	7,041,980 <sup>①</sup>	16.6	203,211,926 <sup>①</sup>	13.9
1975 .....	6,970,000 <sup>②</sup>	(1.02)	213,466,000 <sup>①</sup>	5.0

① U.S. Census Bureau.

② State Department of Finance.

## COUNTY OF LOS ANGELES

### Estimated Average Annual Employment By Industry Nonagricultural Wage and Salary Workers (In 1000's)

Year	1971	1972	1973	1974	1975
Mining .....	10.5	10.6	10.5	10.9	11.0
Contract Construction .....	97.8	100.6	110.2	105.1	96.1
Manufacturing					
Durable Goods .....	504.5	528.4	562.1	560.9	255.2
Non-durable Goods .....	245.1	251.5	265.1	268.3	519.4
Transportation, Communication and Utilities .....	170.9	171.3	178.9	178.8	174.9
Trade					
Wholesale .....	191.3	197.1	211.1	219.2	218.7
Retail .....	445.3	460.1	478.6	481.9	478.2
Finance, Insurance and Real Estate .....	171.6	177.7	185.9	185.6	184.5
Services and Miscellaneous .....	536.5	566.1	606.1	627.5	633.7
Government .....	426.5	436.2	438.9	453.2	475.2
Total Employment .....	2,800.0	2,899.6	3,047.4	3,091.4	3,046.9

The table below summarizes the average number of employed and unemployed residents of Los Angeles County, as estimated by the State Department of Employment Development. The difference in the total employment by industry shown in the preceding table from the total number of employed shown in the following table is due to the fact that the former includes non-residents who commute to work in the County while the latter includes residents who commute to work in other counties.

### Industry

The "Roster of Leading California Companies" published by the *Los Angeles Times* showed 59 of the 100 largest California companies in 1974 were headquartered in Los Angeles County. These 59

firms had total 1974 sales of close to \$53.4 billion, as shown by the accompanying tabulation.

Twelve of the top 59 had total 1974 sales in excess of \$1 billion. Atlantic Richfield Company led the list with a volume of more than \$7 billion. Others were Occidental Petroleum Corp.; Union Oil Company of California; Rockwell International, Inc.; Lockheed Aircraft Corp.; Litton Industries, Inc.; Getty Oil Company; Carnation Co.; Teledyne, Inc.; The Signal Companies; Dart Industries, Inc.; and ARA Services, Inc.

Total sales in excess of \$500 million were recorded by an additional eight companies: Northrop Corp.; Fluor Corp.; Whittaker Corp.; the Times-Mirror Company; Reserve Oil and Gas Company; Lear Siegler, Inc.; MCA, Inc.; and Cyprus Mines Corp.

## COUNTY OF LOS ANGELES

### Estimated Average Annual Employment and Unemployment of Resident Labor Force (In 1000's)

Year	1971	1972	1973	1974	1975
Employed .....	2,780	2,848	2,889	2,950	2,915
Unemployed .....	284	231	202	214	313
Total Work Force .....	3,064	3,079	3,091	3,164	3,228

The total 1974 sales of these 20 companies exceeded \$47 billion, or more than half the \$92.4 billion total sales of the 100 largest California firms.

The aircraft manufacturing and aerospace industries are the leading employers in the County. Petroleum production and refining industries are next. Electronics, motion picture production and food processing and manufacturing industries are also leading sources of employment.

## Financial Institutions

The *Los Angeles Times* "Roster of Leading California Companies" also listed a number of leading financial institutions with home offices in Los Angeles County.

It showed five major banks with assets of more than \$31 billion and seven leading savings and loan associations with over \$22.8 billion in assets, including Home Savings and Loan Association, the nation's largest.

The list also contained four other mortgage and lending institutions; eight bank holding companies

with assets of more than \$56.9 billion, including Western Bancorporation, the second largest in the nation; three nationally prominent life insurance companies; two major fire and casualty insurers and the state's largest title insurance company. Combined assets of \$5.3 billion were shown for the six insurance companies.

Total bank deposits in the County were \$11,741,500,000 the end of 1975, compared with \$10,280,205,000 at the end of 1974, according to the Federal Reserve Bank of San Francisco.

## Commercial Activity

Los Angeles County regularly accounts for more than a third of all taxable transactions in the state. This can be attributed mostly to its large population and above average per capita income, but also in part to the large numbers of visitors attracted to the County.

The following tabulation shows the annual volume of taxable transactions within the County since 1971, as reported by the State Board of Equalization.

## COUNTY OF LOS ANGELES

### Summary of Taxable Transactions (in thousands)

Year	1971	1972	1973	1974	1975*
Apparel stores .....	\$ 817,432	\$ 873,993	\$ 910,790	\$ 927,154	\$ 963,750
General merchandise stores .....	2,323,115	2,454,148	2,627,541	2,741,100	2,837,351
Specialty stores .....	1,129,481	1,301,192	1,390,426	1,545,763	1,593,315
Food stores .....	1,094,926	1,143,899	1,168,213	1,355,813	1,441,904
Package liquor stores .....	453,567	461,043	474,894	507,441	523,134
Eating and drinking places .....	1,289,625	1,510,244	1,669,730	1,864,545	1,982,634
Home furnishings and appliances .....	569,393	632,387	689,480	704,497	687,935
Building materials and farm implements ...	651,941	754,035	868,288	907,641	898,870
Service stations .....	331,837	867,771	1,635,466	2,195,423	2,018,472
Automobile, boat, motorcycle and plane dealers and parts outlets .....	2,402,187	2,673,387	2,857,997	2,565,763	2,674,346
Total Retail Outlets .....	\$11,063,504	\$12,672,099	\$14,292,825	\$15,315,140	\$15,621,711
Business and personal services .....	584,756	657,873	759,117	816,523	846,183
All other outlets .....	4,889,443	5,450,910	6,168,498	7,154,263	7,599,846
Total All Outlets .....	\$16,537,703	\$18,780,882	\$21,220,440	\$23,285,926	\$24,067,740

\* 12 months ended September 30, 1975.



## LOS ANGELES COUNTY

### Major Industrial Companies and Financial Institutions Headquartered in Los Angeles County

Company	Headquarters Location	Sales (\$000)	Employees	
			Total	California
INDUSTRIAL COMPANIES				
Atlantic Richfield Co.	Los Angeles	\$ 7,166,900	28,800	5,200
Occidental Petroleum Corp.	Los Angeles	5,537,500	33,903	1,302
Union Oil Company of Calif.	Los Angeles	4,778,600	15,364	6,650
Rockwell International Corp.	El Segundo	4,408,500	135,000	40,000
Lockheed Aircraft Corp.	Burbank	2,756,800*	62,000	45,000
Litton Industries, Inc.	Beverly Hills	3,029,900	103,500	10,200
Getty Oil Company	Los Angeles	2,880,400	11,364	1,380
Carnation Company	Los Angeles	1,886,800	21,700	2,990
Teledyne Inc.	Los Angeles	1,700,000	50,000	11,000
The Signal Companies, Inc.	Beverly Hills	1,645,000	33,500	7,300
Dart Industries, Inc.	Beverly Hills	1,214,100	29,566	1,200
ARA Services, Inc.	Los Angeles	1,119,500	66,400	3,500
Northrop Corp.	Los Angeles	853,300	26,200	15,000
Fluor Corp.	Los Angeles	801,300	12,729	5,220
Whittaker Corp.	Los Angeles	778,200	14,600	2,114
The Times Mirror Co.	Los Angeles	751,100	15,300	6,300
Reserve Oil & Gas Co.	Los Angeles	724,700	981	467
Lear Siegler Inc.	Santa Monica	658,100	20,768	1,647
MCA, Inc.	Universal City	641,900	10,500	6,500
Cyprus Mines Corp.	Los Angeles	564,900	4,713	325
Petrolane Inc.	Long Beach	488,500	6,414	4,078
Brown Company	Pasadena	434,500	9,300	700
Walt Disney Productions	Burbank	429,900	16,400	6,200
Purex Corp.	Lakewood	409,400	8,100	1,900
Norris Industries	Los Angeles	393,000	10,000	7,800
The Ralph M. Parsons Co.	Pasadena	391,200	16,000	3,600
Hilton Hotels Corp.	Beverly Hills	384,500	24,000	2,000
The Oil Shale Corp.	Los Angeles	365,900	1,233	119
Mattel Inc.	Hawthorne	280,800*	12,050	3,000
Avery Products Corp.	San Marino	296,300	6,572	1,200
Twentieth Century-Fox Film Corp.	Los Angeles	281,900	5,150	1,582
Bergen Brunswig Corp.	Los Angeles	278,200	3,200	1,500
Baker Oil Tools, Inc.	Commerce	261,900	7,207	1,521
International Foodservice Corp.	Los Angeles	257,700	1,650	420
Automation Industries Inc.	Los Angeles	240,400	9,046	1,250
Metro-Goldwyn-Mayer Inc.	Culver City	234,200	6,000	1,200
Earle M. Jorgensen Co.	Lynwood	232,000	1,731	579

\* 1973 sales. Position based on projection of nine-months 1974 sales.

## LOS ANGELES COUNTY (Continued)

Company	Headquarters Location	Sales (\$000)	Employees	
			Total	California
Kaufman & Broad Inc.	Los Angeles	\$ 228,100	2,380	660
Republic Corp.	Los Angeles	225,600	6,099	3,975
Denny's Inc.	La Mirada	221,800	20,000	8,000
Ducommun Inc.	Los Angeles	216,400	1,893	1,316
Royal Industries Inc.	Pasadena	214,200	5,986	2,079
Monogram Industries, Inc.	Santa Monica	200,100	5,100	1,200
Ameron Inc.	Monterey Park	199,000	4,200	2,279
Edgington Oil Co.	Long Beach	198,800	246	208
Host International Inc.	Santa Monica	191,500	10,000	4,500
Computer Sciences Corp.	El Segundo	177,400	7,000	1,300
American Medical International Inc.	Beverly Hills	170,100	10,500	4,000
Ernest W. Hahn, Inc.	Hawthorne	170,000	1,000	900
Knudsen Corp.	Los Angeles	166,000	1,600	1,600
Superscope Inc.	Sun Valley	157,200	2,559	943
VSI Corp.	Pasadena	144,400	3,525	2,272
Capitol Industries-EMI, Inc.	Hollywood	141,700	2,967	1,800
Western Gear Corp.	Lynwood	137,100	3,244	1,540
Coca-Cola Bottling Co. of Los Angeles	Los Angeles	134,300	2,600	2,350
C. H. B. Foods, Inc.	Pico Rivera	133,600	2,400	2,200
Wyle Laboratories	El Segundo	131,100	2,418	626
Santa Anita Consolidated Inc.	Los Angeles	127,200	1,555	1,375
McCulloch Oil Corp.	Los Angeles	127,100	1,100	175
MERCHANDISING FIRMS				
Carter Hawley Hale Stores, Inc.	Los Angeles	1,121,800	35,000	27,000
Arden-Mayfair Inc.	Los Angeles	580,000	7,100	4,707
Daylin Inc.	Los Angeles	560,200	11,000	2,000
Thrifty Drug Stores, Inc.	Los Angeles	458,900	12,000	N.A.
Thriftmart, Inc.	Los Angeles	314,000	2,908	2,722
Sav-on-Drugs, Inc.	Marina del Rey	248,800	5,000	4,800
TRANSPORTATION FIRMS				
Western Air Lines	Los Angeles	488,400	9,424	5,684
Continental Airlines, Inc.	Los Angeles	457,300	9,500	5,000
Tiger International	Los Angeles	338,000	4,739	2,400
The Bekins Co.	Los Angeles	145,800	4,500	3,300
Transcon Lines	El Segundo	143,300	4,385	805
UTILITY CORPORATIONS				
Southern California Edison Co.	Rosemead	1,483,400	13,468	13,219
Pacific Lighting Corp.	Los Angeles	890,600	9,182	8,933
General Telephone Co. of California	Santa Monica	617,700	17,813	17,813

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**LOS ANGELES COUNTY (Continued)**

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Company	Headquarters Location	Assets (\$000)
<b>FINANCIAL INSTITUTIONS</b>		
<i>Banks</i>		
Security Pacific National Bank	Los Angeles	\$15,255,800
United California Bank	Los Angeles	9,756,900
Union Bank	Los Angeles	4,080,000
Lloyds Bank California	Los Angeles	1,394,400
City National Bank	Beverly Hills	629,100
<i>Savings and Loan Associations</i>		
Home Savings & Loan Assn.	Los Angeles	5,421,100
Great Western Savings & Loan Assn.	Beverly Hills	4,976,400
American Savings & Loan Assn.	Beverly Hills	4,522,100
California Federal Savings & Loan Assn.	Los Angeles	2,943,100
Glendale Federal Savings & Loan Assn.	Glendale	1,928,700
Gibraltar Savings & Loan Assn.	Beverly Hills	1,617,100
Coast Federal Savings & Loan Assn.	Los Angeles	1,415,500
<i>Holding Companies</i>		
Western Bancorporation	Los Angeles	18,727,100
Security Pacific Corp.	Los Angeles	15,487,200
H. F. Ahmanson & Co.	Los Angeles	5,679,400
Great Western Financial Corp.	Beverly Hills	5,030,800
First Charter Financial Corp.	Beverly Hills	4,529,300
Union Bancorp Inc.	Los Angeles	4,084,200
Farmers Group Inc.	Los Angeles	1,743,000
Gibraltar Financial Corp. of California	Beverly Hills	1,620,500
<i>Loan, Credit, and Mortgage Companies</i>		
Transamerica Financial Corp.	Los Angeles	832,100
Budget Capital Corp.	Los Angeles	381,700
Western Mortgage Corp.	Los Angeles	203,800
The Colwell Co.	Los Angeles	170,100
<i>Insurance Firms — Life</i>		
Occidental Life Insurance Co. of California	Los Angeles	2,122,700
Pacific Mutual Life Insurance Company	Los Angeles	1,198,600
Beneficial Standard Life Insurance Company	Los Angeles	179,900
<i>Fire and Casualty Companies</i>		
Farmers Insurance Group	Los Angeles	1,081,400
Transamerica Insurance Co.	Los Angeles	473,100
<i>Title Insurance Company</i>		
The TI Corp.	Los Angeles	261,300

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Source: Los Angeles Times, May 11, 1975.

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## Visitor and Convention Business

Southern California's natural and commercial attractions bring millions of visitors to the area each year. Los Angeles County participates significantly in this important economic activity.

Initially the area's major attraction was its temperate winter climate. However, tourism is now a year-round industry which peaks in the summer months.

Among the major tourist attractions located in the County are Busch Gardens, Magic Mountain, Marineland of the Pacific, motion picture and television studios, the Mount Wilson Observatory, the Los Angeles Music Center and the Rose Bowl. Teams representing every major league sport are based in the County, together with nationally-prominent collegiate basketball and football teams. In March of 1976 the County was the site of the U.S. Grand Prix-West, which made the United States the only nation in the world to have two world-championship Formula One automobile races in a single year.

Natural attractions include the temperate climate, miles of fine sand ocean beaches, the mountains and the desert.

The fact that the County offers the amenities of a major metropolitan area, together with the natural, cultural and recreational attractions listed above, has made it a major convention center as well. The City of Los Angeles Convention Center reported 32 major functions in 1975, with delegates and exhibitors from out of town spending an estimated \$22,826,000. Major hotels in the County, centered primarily in downtown Los Angeles, in Beverly Hills and adjacent to the Los Angeles International Airport also provide convention facilities for both large and small groups.

A study by the Southern California Visitors Council indicates that tourism supports one million jobs in Southern California. The principal recipients of the tourist dollar are food and beverage purveyors, which account for nearly one fourth of the total; hotels and motels, which realize more than \$400,000,000 and recreation and entertainment places which gross more than \$300,000,000 from this source.

The area also benefits from the taxes paid by visitors. These consist principally of sales taxes, gasoline taxes and room occupancy taxes. Surveys by the Southern California Visitors Council indicate that the total taxes paid by visitors to Southern Cali-

fornia amounted to \$134,000,000 in 1974 and \$135,000,000 in 1975.

The following tabulation shows the estimated total number of tourists visiting Southern California over the past decade and their total estimated expenditures. The data do not include convention delegates or others visiting on business.

### Tourists and Expenditures In Southern California

Year	Tourists	Expenditures
1965/66	7,090,987	\$1,114,669,962
1966/67	7,155,946	1,133,864,379
1967/68	7,869,050	1,242,032,357
1968/69	8,055,533	1,271,478,472
1969/70	8,414,000	1,461,000,000
1971*	7,599,000	1,306,000,000
1972	8,125,000	1,400,000,000
1973	8,446,000	1,966,000,000
1974	8,363,000	2,219,000,000
1975	8,480,000	2,431,000,000

\* Calendar year basis from 1971.

Source: Southern California Visitors Council.

## Transportation

Due to its coastal location, widely diversified industries and large population, Los Angeles County is one of the world's leading transportation centers. It contains extensive air, rail, ship and highway transportation facilities.

All transcontinental airlines and a number of international carriers serve the Los Angeles Metropolitan area. The major air terminals are Los Angeles International Airport, Ontario International Airport and Hollywood-Burbank Airport. However, Lockheed Aircraft Corporation has announced plans to sell the Hollywood-Burbank Airport. The company stated that it preferred to have the facility continue in use as an airport but that it would sell to the highest bidders, including those who might wish to develop the site as a commercial-industrial park.

Los Angeles International Airport, owned and operated by the Department of Airports of the City of Los Angeles, is one of the largest and most modern air terminals in the nation. There are direct flights

to the largest cities in 43 of the 50 states, excluding only Maine, New Hampshire, North Dakota, Rhode Island, South Carolina, Vermont and West Virginia. It also serves as a terminal for flights to and from Europe and the Far East.

The Los Angeles Department of Airports reports that air traffic during 1975 included 23.7 million passengers and 1.429 billion pounds of air freight, compared with 12.6 million passengers and 396 million pounds of air freight in 1965.

The second largest airport serving the Los Angeles Metropolitan Area is Ontario International Airport located approximately six miles east of the County line in neighboring San Bernardino County. This facility has been operated by the Los Angeles Department of Airports since 1967 under terms of a joint exercise of powers agreement with the City of Ontario. Department of Airports plans call for more than \$100 million in improvements to be made by 1980.

The Los Angeles Department of Airports reports the airport accommodated 1.14 million passengers in 1975, up from 573,372 in 1968. In the same period the volume of air freight increased 8.4 times to 5.8 million pounds. Nine air carriers now provide regularly scheduled service. In addition, the airport serves as an alternative to Los Angeles International when the latter is closed by weather conditions.

Three transcontinental rail lines serve the County: the Atchison, Topeka & Santa Fe; the Southern Pacific; and the Union Pacific.

Ocean-going commerce is a major contributor to the County's economy. There are two major adjoining port complexes, the Port of Los Angeles and the Port of Long Beach. More than 5,000 vessels call annually at these ports. The principal traffic is with Hawaii, the Orient, South America and Australia.

The Port of Los Angeles covers more than 7,000 acres of land and water area and has 28 miles of waterfront. Among its facilities are container terminals, a bulk cargo handling and loading complex, a supertanker terminal and shipyards with giant ways and floating drydocks. It is capable of handling 85 ocean going vessels simultaneously.

An emphasis on modern bulk cargo facilities has made the Port of Long Beach the leading foreign trade port on the West Coast. The port features 69 municipally-owned and eleven privately-owned

berths, two of which can accommodate supertankers of up to 200,000 tons gross weight; extensive automatic loading and unloading equipment; and 300 acres devoted to containerized shipping.

Both ports are located on San Pedro Bay which is enclosed and protected by a federally-financed breakwater over nine miles in length. The inner harbors of the two ports are also connected by a 400-foot deep, 41-foot wide inland channel.

The first of California's freeways was constructed in Los Angeles County. Today it is part of a network of fifteen freeways which criss-cross the County. These include Interstate 5, the principal west coast route from the Mexican border to the Canadian border, and Interstate 10, a major highway joining the east and west coasts. These two major routes intersect in downtown Los Angeles.

Mass transit is currently provided entirely by bus. The Southern California Rapid Transit District (SCRTD) operates the largest system, with more than 2,200 miles of local and interurban routes serving 160 cities and communities including some in neighboring counties.

The SCRTD Board of Directors has voted to submit to the voters of Los Angeles County, at the June 8, 1976, election, two proposed increases of one-half cent each in the sales tax in Los Angeles County (currently six cents per dollar of taxable transactions) to meet a portion of the costs of a 232-mile, fixed-rail rapid transit system which would ultimately serve 44 cities within the County. The proposals are based on construction and operation of the system being financed by a combination of Federal grants, the proceeds of the sales taxes, and user fees. It is expected that construction would extend over a period of 30 years and would cost an estimated \$5,800,000,000 — without taking into account any future construction cost escalation — to be met on a pay-as-you-go basis, with the first line to be in operation by 1984. Under the proposal the SCRTD would provide for the operation and financing of the system, while the County would manage its construction.

## **Construction Activity**

As shown by the following tabulation, the total valuation of building permits issued in Los Angeles County (including permits issued by incorporated cities), during 1975 reversed the declines shown in 1973 and 1974, although non-residential construction valuations were again down slightly.



## LOS ANGELES COUNTY

### Building Permit Valuations

	1971	1972	1973	1974	1975
Valuation (In Thousands):					
Residential .....	\$ 847,477	\$1,073,972	\$1,053,092	\$ 706,357	\$ 733,919
Non-residential .....	1,111,920	1,229,024	1,116,579	1,045,077	1,036,831
Total .....	\$1,959,397	\$2,302,996	\$2,169,671	\$1,751,434	\$1,770,750
New Dwelling Units:					
Single units .....	11,308	10,805	9,413	5,946	8,822
Multi-units .....	33,905	42,295	33,694	14,432	8,908
Total Units .....	45,213	53,100	43,107	20,378	17,730

Source: "California Construction Trends", Security Pacific Bank.

## Education

There are 33 elementary school districts, seven high school districts and 42 unified (combined elementary and high school) districts in Los Angeles County. More than 85 percent of the enrollees are in unified school districts. The largest is the Los Angeles Unified School District which had 716,000 students enrolled for the fall semester. Shown below is a comparison of countywide enrollments in 1970 and 1975.

## LOS ANGELES COUNTY

### October Public School Enrollments

Grades	1970	1975
K-8 .....	1,034,117	927,552
9-12 .....	638,030	717,485
Total .....	1,672,147	1,645,037

Source: County Superintendent of Schools.

Thirteen community college districts operate 20 two-year institutions within the County. They have a combined enrollment of more than 230,000 full and part-time students.

Among the many colleges and universities located in the County are such well-known institutions as the University of California at Los Angeles, the University of Southern California, Occidental College, the six Claremont Colleges, and the California Institute

of Technology in Pasadena, plus five state university campuses located in Dominguez Hills, Long Beach, Los Angeles, Northridge, and Pomona.

## Agriculture

For a period of 40 years, from 1909 through 1949, Los Angeles County was the leading agricultural county in the United States. Even though rapid urbanization and industrialization have taken place in the years since World War II, Los Angeles still ranks among the top agricultural counties in the nation. Agriculture remains a significant sector of the County's economy for a number of reasons: (1) the County is part of a large and expanding market; (2) its temperate climate and long growing season permits the production of a wide variety of crops; and (3) it has a highly efficient processing and distribution system.

Farmers in the County have been very conscious of consumer tastes in products which require less land and labor, and of scientific and technological innovations in agriculture. Working with scientists from the U.S. Department of Agriculture, universities and industry, farmers have continually increased per acre production and lowered per unit costs. These efforts have helped the County maintain its high agricultural production in spite of urbanization.

There is a wide diversification of crops and over 100 commodities are produced commercially.

Gross receipts from crop and livestock production in the County during 1974, the latest period for



which data are available, amounted to \$158,369,300, the highest total since 1967. Nursery stock and cut flowers accounted for more than 40 percent of this total. In 1974 there were 27 commodities with annual output valued at more than \$1 million. Head-

ing the list were ornamental trees and shrubs (\$35,507,000), and market milk (\$23,132,000).

The accompanying tabulation summarizes the value of agricultural production in the County during the years 1971 through 1974.

## LOS ANGELES COUNTY

### Gross Value of Farm Production 1971-74

Commodity	1971	1972	1973	1974
Fruits and nuts .....	\$ 8,536,240	\$ 7,677,250	\$ 9,047,800	\$ 9,691,800
Field crops .....	9,102,600	8,774,700	11,850,000	14,324,100
Vegetables .....	10,063,200	10,036,200	11,853,100	15,027,000
Nursery products .....	40,641,000	46,245,000	50,665,000	59,921,000
Cut flowers .....	4,556,000	4,507,000	3,915,000	4,224,000
Apiary products .....	540,000	328,480	712,200	969,400
Livestock and poultry .....	20,549,000	19,445,000	24,059,000	25,048,000
Animal products .....	29,217,000	23,654,000	24,654,000	29,164,000
Total .....	\$123,205,040	\$120,667,630	\$136,756,100	\$158,369,300

Source: County Department of Agriculture.



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